



**FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)
APPEAL DECISION**

FEMA Flood Insurance Appeal Decision #C38

OVERVIEW

The policyholder through their representative (hereinafter “policyholder”) filed an appeal on August 2020, alleging their flood insurance carrier (hereinafter “insurer”) improperly denied part of their claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a flood event dated May 2020.²

In its review, FEMA found the following facts relevant:

- At the time of loss, the policyholder had \$156,000 in building coverage and \$50,000 in personal property coverage.
- The policyholder filed a claim for flood damage with the insurer and the insurer assigned an adjuster to inspect the property.
- On June 2020, the adjuster inspected the dwelling and recorded a 14-inch waterline to the exterior of the building and three inches to the interior of the building.
- The adjuster prepared an estimate for damages and forwarded it to the insurer.
- On July 2020, the insurer issued the policyholder payments totaling \$32,393.70 for covered building damages and \$3,058.63 for covered personal property damages. The building payment included coverage for cleaning, re-grouting, sealing the tile floor, and the removal and replacement of ceramic tile in some areas of the bathrooms.
- The policyholder requested additional payment to replace all the ceramic tile located throughout the house.
- The adjuster reviewed the request and determined the tile did not sustain direct physical loss by or from flood. The policyholder indicated two tiles were cracked prior to the flood. In a letter dated August 2020, the insurer denied coverage for replacement of the tile flooring citing no direct physical loss by or from flood.
- The policyholder contests the denial stating they only had two cracked tiles prior to the loss, and floodwater penetrated the flooring, causing severe damage. In support of their appeal, the policyholder includes photographs and a contractor’s proposal. Because the information provided does not respond to the insurer’s reason for denial, FEMA’s decision is based on the documentation in the claim file.

¹ See 44 C.F.R. § 61.13 (2019); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter “SFIP”].

² The policyholder files this appeal under 44 C.F.R. § 62.20. The appeals process is available after the insurer issues a written denial, in whole or in part, of the policyholder’s claim. The policyholder’s appeal and related documents concerning the appeal, claim, or policy are on file with FEMA, Federal Insurance and Mitigation Administration, Federal Insurance Directorate, Policyholder Services Division, Appeals Branch [hereinafter “Appeal File”].

RULES

The insurer agrees to pay the policyholder for direct physical loss by or from flood to covered property, provided the policyholders complied with all terms and conditions of the SFIP. Loss or damage to insured property must be directly caused by flood. There must be physical changes to the property.³

The SFIP requires the policyholder to submit documentation that fully supports the items being claimed and the payment requested amount. The SFIP places the documentation requirements to substantiate and support their loss on the policyholder.⁴

ANALYSIS

The policyholder appeals the insurer's denial of coverage to replace the tile flooring throughout the home, stating that flood water penetrated the floor and caused severe damage.

The insurer agrees to pay the policyholder for direct physical loss by or from flood to covered property provided the policyholder complies with all terms and conditions and conditions of the SFIP. Loss or damage to insured property must be directly caused by flood. There must be physical changes to the property. Here, the policyholder states two tiles in the living room were cracked prior to the reported date of loss. As a result, once the flood event occurred, water got underneath the floors, causing de-bonding to many of the remaining tiles. Ceramic tiles that are installed in a thin-set mortar over top of a concrete slab with cementitious grout, creates a flood-damage resistant floor assembly.⁵

As harsh as floodwater can be, it will not cause the adhesive properties within thin-set mortar or cementitious grout to “de-bond” from a concrete slab floor or from individual ceramic tiles. De-bonding of these components can occur if certain factors unrelated to floodwater inundation exist, such as pre-existing cracks. De-bonding can occur from the lack of expansion joints in tile floors around woodwork or within floor areas exposed to higher level of humidity, sunlight, or heat. When affected by these natural conditions, wood and ceramic tile can expand. This expansion creates separation of the tile from the thin-set mortar or crack in the tile or the grout.

Other factors that contribute to de-bonding are excess moisture in the concrete slab, an unclean concrete surface at the time of installation, a poor mortar or grout mixture, or the application of semi-dried thin-set mortar. When concrete moves from natural shrinkage or from the long-term effects from settlement, further separation and cracking can develop.

All these factors and conditions contribute to the loosening of tiles, separation, or cracking, and the hollow sound which is present when tile surface is tapped with a blunt object or walked upon. When floodwater enters in the pre-existing spaces created from de-bonding, the separation and looseness of the tiles becomes more pronounced. In this case, the floodwater exacerbated a pre-existing condition of damage in the floor assembly that is not the directly result of direct physical loss by or from flood.

³ See SFIP (I), (II)(B)(12).

⁴ See SFIP (VII)(J)(3)-(5).

⁵ See FEMA Technical Bulletin 2– Flood Damage-Resistant Materials Requirements (Aug. 2008).

Based on the information presented, FEMA agrees with the insurer's claim decision. The SFIP requires the policyholder to prove their loss and submit supporting documentation. The policyholder has not submitted any supportive evidence that contradicts the findings of the insurer, or anything that suggests the de-bonding of the tiles was caused directly by flood and not a pre-existing condition. There is no evidentiary basis for FEMA to overturn the denial or instruct the insurer to re-evaluate.

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny coverage to replace the tile flooring.